

During 1996, Officer Kennison made in excess of 115 arrests, truly an astonishing number. Putting his life on the line in many instances, he has demonstrated great bravery. As his family and coworkers gather to recognize him for this achievement, I want to wish him continued success. Officer Kevin Kennison is truly an asset to our community, and we all congratulate him on a job well done.

ADVERSE EFFECTS OF INCREASING MEDICARE COST-SHARING ON THE POOR

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. STARK. Mr. Speaker, I thank the Members for this opportunity to address the House on the important issue of Medicare. In our attempt to cut Federal spending, we must consider the implications of those policy decisions on our Nation's most vulnerable citizens. Much has been said of the economical benefits of raising Medicare copayments and deductibles, but not enough has been said of the detrimental effects those cuts will have on Medicare beneficiaries with low incomes.

Many of my conclusions on the negative effects of higher cost-sharing on the poor are taken from the RAND health insurance experiment. The RAND experiment studied the rate of use of health services by assigning people to different levels of cost-sharing insurance programs. The results of that experiment should encourage us to take a good look at the effect our decisions will have on the health of the people we represent.

Mr. Chairman, the RAND experiment clearly showed that with increased out-of-pocket costs to the beneficiary; physician visits, hospital admissions, prescriptions, dental and vision visits, and mental health services use fell. While adverse health effects on the average person were shown to be minimal, statistics on the poor were rather disturbing. The study found that those with lower income levels suffered adverse health effects in many categories under the cost-sharing plan. The poor will forgo necessary medical attention as out-of-pocket costs of those services rise. This is a fact that undermines the original intent of this program.

Health areas most affected by a higher rate of cost sharing for the poor are hypertension, rate of mortality, dental and vision care. As an example of these findings, those with lower incomes who entered the experiment with high blood pressure benefited more under the free program than under the cost-sharing plan. Low-income groups have 46 percent more dental visits on the lower cost-sharing plan than on the higher. The higher income groups use dental services 26 percent more under the lower cost plan. Near and far vision statistics also improved in the lower cost plan and predicted mortality rates fell approximately 10 percent among the poor. In fact, Mr. Chairman, overall serious symptoms among the poor declined when the costs of care went down.

The determination made by this study and others is that those with higher needs and lower incomes are not more likely to spend

money on necessary medical services. Higher cost-sharing in the attempt to reduce necessary treatment will also cause a reduction in the use of highly effective care. Furthermore, the experiment found significant decreases in highly effective care seeking poor beneficiaries.

Mr. Chairman, raising the cost of Medicare will raise even higher the rate of emergency room visits by the poor. Already, those in the lower third of the income distribution have emergency department expenses 66 percent higher than those of persons in the upper third of the income distribution. Raising Medicare costs will only make it more difficult for those with lower incomes to see a primary care, office-based physician and force those patients to seek attention in our country's overcrowded emergency rooms.

All of these facts lead us to the conclusion that if we raise the beneficiaries' obligation in the cost of Medicare, those with lower income levels will be unable to afford and will not seek out needed health services. We have an obligation to fiscally get these entitlement programs under control without putting the Nation's most needy in harms way. I urge all of my colleagues to consider these findings as we work to improve Medicare.

THE HOUSING OPPORTUNITY AND RESPONSIBILITY ACT OF 1997

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. LAZIO of New York. Mr. Speaker, I come to the floor of the House today to introduce the Housing Opportunity and Responsibility Act of 1997, a bill to bring hope and opportunity to millions of Americans now living in public housing across the country.

It is fitting that I do this today, the first day of the 105th Congress, because the first day of a new Congress is about new beginnings. This legislation is about new ideas and new models, new opportunities for families and neighborhoods that for too long have fallen victim to the old way of doing business.

For 60 years, we have asked local communities to live under one law for public housing, the 1937 Housing Act. Cities and neighborhoods, struggling with the challenge of providing affordable housing for families and individuals, have had to rely on a Depression-era law to provide that housing. A single, top-down, cookie-cutter model for housing designed to shelter urban factory workers and create jobs for out-of-work craftsmen in the 1930's is not the best way to do business today.

We ask a lot of local communities when it comes to building and supporting affordable housing. It's time we gave them the tools they need to get the job done right, so that families get the housing they need in communities that promote opportunity.

By providing that opportunity and demanding responsibility—at all levels, from recipients of assistance to those providing housing services—we take those first few steps toward creating the kind of communities we can all take pride in. Many of my colleagues have complained that the problem is not the programs, but simply how much money the Federal Gov-

ernment spends. I disagree. While having sufficient funding is something I have fought for, especially for our most vulnerable communities, it's wrong for us in Congress to ask the American taxpayers to pay for programs that aren't working. We Americans are a generous people, we always have been. We understand that not everyone has the same opportunities that some of our neighbors have been given and we are willing to spend tax dollars to help lower-income families get their feet under them and get on their way. But we are not so generous if we think our money is being wasted.

In too many cities, public housing has become the kind of waste that taxpayers don't want to put their money into.

We can do better than this. In some communities, housing for low-income housing is what we've asked it to be—a way to a better life, rather than a way of life. We can learn from those success stories, we can take the knowledge we have gained and make a better framework for change.

One of the worst examples has been the way residents in public housing are discouraged from working, discouraged from getting a better job or working overtime. The reason for this perversity? A well-intentioned but ill-advised policy known as the Brooke amendment, which requires tenants in public housing pay exactly 30 percent of their income for rent—no more, no less—no matter what income they make. Get a better job, your rent goes up. Work overtime to try to build a little savings, to move your family out of public housing, your rent goes up.

When we tried to restructure the intent of the Brooke amendment last year, some of my colleagues protested, saying that our only goal was to raise rents for low-income families. Nothing could be further from the truth. Nevertheless, this bill I am introducing today has a new way to eliminate the work-punishing provisions of existing law by simply giving tenants a choice. Each year, the housing authority will select a rent for each unit. The tenant then can choose whether to pay that rent or 30 percent of their income, obviously choosing whichever is less expensive. That way, no one is asked to pay more than 30 percent of their income for rent, but we don't force them to keep paying higher and higher rents based on misguided Federal policies.

This Work Incentive Rent Reform is one example of the kind of compromise we can create that protects families, but still provides the type of opportunity we need to instill in Federal programs.

Last May, members from both sides of the aisle voted for a very similar bill, the Housing Act of 1996. The House showed overwhelming support for reform by voting 315 to 107 in favor of that bill. As we go forward with this similar, but improved bill, I hope that Members on both side of the aisle, Republicans and Democrats, will feel free to engage in constructive debate, to work with us to make these needed changes.

Sixty years is a long time to wait for reform. We shouldn't ask low-income families to wait another year.

TITLE BY TITLE SUMMARY OF THE HOUSING OPPORTUNITY AND RESPONSIBILITY ACT OF 1997

The short title of the bill is the Housing Opportunity and Responsibility Act of 1997. The bill repeals the United States Housing